

## **EXHIBIT A**

Transitional Workforce Division  
Operations Unit  
FY06 EARN Center Payment Schedule

DRAFT

Please fill in only the grey shaded areas.

Provider Name  
Program

Original FY06 Contract Amount  
Allowable FY05 Carryover Amount  
New FY06 Contract Amount  
Less Cost Reimbursement Line Items

Supportive Services and Incentives  
PWE Wages, Fringes and ABA WD Stipends  
Wage Subsidy

Operational Budget

Cost Reimbursement  
70% of Operational Budget  
Performance Based (Hold back)  
30% of Operational Budget

Contract	Goals
1,500	Enrollments (Not to exceed 1500)
1,200	Program Participation (80% of Enrollments) *
720	Job Placement (60% of Program Participation)
132	6-month Job Retention (60% of Job Placements up until 12/31/05- presume 220 jobs)
188	3-month Job Retention (75% of 250, which is the expected goal of Job Placements 10/1/06-3/31/06)
120	Referral to JSS, Higher Education, ISI (10% of Program Participation)
60	Successful Completion of Training or Active until 6/30 (50% of referrals)

\* required hours are 20 and do not start measuring until code 08 (assessment) closes

New Enrollments: 1500  
FDSI #

\$ 3,161,274
\$ 407,768
\$ 3,569,042
\$ 386,400
\$ 3,142,225
\$ 2,865,817

\$ 2,007,892
\$ 860,525

revised payments

Hold-Back Percentage Breakdown			
Program Participation	\$	86,053	Cost Per 1/2 year \$ 43,026.25
10% of Holdback Amount	\$	430,263	Cost Per JC \$ 597.59
50% of Holdback Amount	\$	301,184	Cost Per JC \$ 1,369.02
35% of Holdback Amount	\$	180,710	Cost Per JC \$ 642.53
60% of Retention Payment	\$	120,474	Cost Per JC \$ 717.10
40% of Retention Payment	\$	43,026	
Successful Completion of Training or active until 6/30	\$	860,525	
5% of Holdback Amount	Total	\$	

Cost Per Enrollment	\$ 2,379.36
Cost Per Placement	\$ 4,957.00

Notes:

Payment Frequency:

Program Participation - twice a year  
Job Placement - Quarterly  
Job Retention - Quarterly  
Successful Completion - Quarterly  
All cost reimbursement items will be paid monthly based on invoices submitted and supporting documentation.

West Philadelphia EARN Center  
EXPENSE BREAKDOWN  
For The Period July 1, 2005 thru June 30, 2006

	ORIGINAL BUDGET	ORIGINAL BUDGET LESS 1/01/06 TO 6/30/2005	NEW BUDGET 70 % COST REIMBURSED	NEW BUDGET WITH ALL PERFORMANCE EARNED	NEW BUDGET TOTAL COSTS 7/1/2005 to 2/28/06L	7/1/2005 COSTS REMAINING	Encumbered @ 4/3/06	Unpaid @ 4/3/06
SUB-CONTRACTS								
Caring People Alliance	\$1,511,396.00	\$1,430,430.35	\$916,684.11	\$1,309,489.96	\$639,318.24	\$277,365.87	\$639,318.24	\$639,318.24
TOTAL PROGRAM SERVICES	\$3,623,030.00	\$3,133,335.15	\$2,007,982.09	\$2,868,417.14	\$2,047,792.00	\$102,594.02		

Meeting with EDSI

Contract with PWDC

Contract charged: 70% to Cost Recovery  
30% to Performance Based

Benchmark: Withdrawn for portion of Contract  
Job Pay out 2 different ways  
Return 80%

Plan to be \$60K less

If funds are available  
will pay us over  
extended - to make up  
(of 05 cents)

3 mo. return: Most solid  
Training: OK

Not be able to compare

Total <sup>Performance</sup> ~~Part~~ of \$1.2 - What is to get here?

July 1 - go to 50/50 = Fast Blount design?  
35/1 - One unit to Clients

Blended rate for Computer Literacy

Pwoc Content = Prose

Crit / Refuse / Amend  
70/30

↔ 70% of when the highest score

↔ Refuse Amend = 30%

Remember: withdrawal for portion of Content.

Pl. Motion = Request different judge

Return = 80%

Plaintiff (60k) less

3 mo return = Most asked

Tracy = OK

86  
~~86~~ Plant  
80 Plaintiff

Will once small

{ If push over child  
will pay for car  
over 100k. }

932  
70  
862  
240  
622

Not be able to consume:

→ Total out of \$'s. [What % to get here.]

July 1 = go to 50/50 - Fast Plant design  
35/1 Case work to Clark.

\*\*\* Blended rate for Computer litigation

## **EXHIBIT B**

June 6, 2006

Arlene Bell  
Executive Director  
Caring People Alliance  
1819 JFK Boulevard  
Suite 220  
Philadelphia, PA 19103

Dear Ms. Bell:

Educational Data Systems, Inc. is required to submit a final invoice to PWDC by the end of July. Because of this, we will need to receive your final invoice no later than July 20, 2006. The fiscal year ends June 30<sup>th</sup> and this will ensure that everything is in order to close out the grant.

If you have any questions or concerns, please contact Mark Pressey at 313-271-2660 or by e-mail at [mpressey@edsincorporated.com](mailto:mpressey@edsincorporated.com).

It has been a pleasure working with your organization and we appreciate all the contributions you have made to create a highly successful EARN Center.

Sincerely,

W. Robert Schnieders  
President

## **EXHIBIT C**



October 24, 2006

William Hastings  
Caring People Alliance  
1819 JFK Blvd., Suite 220  
Philadelphia, PA 19103

Dear Mr. Hastings:

Enclosed, please find a check for \$139,398.13. The information below details final EARN Center payments for the year ending June 30, 2006. Payments were based on the total funding EDSI received to disburse on a cost reimbursed basis (column b), and the amount of performance based money (column e) that was earned for the year. The total shortfall in funding we experienced was \$1,063,519.84. Thank you.

	A	B	C	D	B-D	E	E+B-D
Subcontractor	New Budget 12 month	70% of Budget	Total Invoices Received	Total Invoices Paid	Unpaid Balance of 70 %	Prorated Performance Payment	Final Payout
CPA	\$ 826,209.00	\$ 578,346.30	\$ 826,209.00	\$ 563,123.50	\$ 15,222.80	\$ 124,175.33	\$ 139,398.13

Potential benchmark payment: \$ 860,000.00  
Benchmark payments received: \$ 619,308.00  
Benchmark payment shortfall: \$ (240,692.00)

Additional Enrollment Money E: \$ 1,372,827.84  
Additional Enrollment Money F: \$ 550,000.00  
Enrollment Shortfall: \$ (822,827.84)

Total Shortfall in funding: \$ (1,063,519.84)

Sincerely,

W. Robert Schnieders  
President

## **EXHIBIT D**

**W. Robert Schnieders**

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**From:** Jennifer Sarkisian  
**Sent:** Thursday, October 26, 2006 4:27 PM  
**To:** W. Robert Schnieders  
**Subject:** Voice Mail Message

Bob,

Mark left you a voice mail message. He wanted to tell you about a conversation he had with CPA today. They were asking about why the check was so low. He explained how it was calculated. He told them that the original numbers that were given were on the high side - we were shorted money. Had we earned the original amount, there would not have been a problem. They were very disappointed and asked if the change in the budget was ever communicated to anyone. He said that you had talked with the Directors about the change.

I left the voice mail message on your machine in case you want to listen to it.

**Jennifer Sarkisian**  
**Administrative Assistant to W. Robert Schnieders**  
**Educational Data Systems, Inc.**  
**313-271-2660 Ext. 119**  
**jsarkisian@edsincorporated.com**

3/12/2007

## **EXHIBIT E**

1

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

CARING PEOPLE ALLIANCE : CIVIL ACTION

Plaintiff,

-vs-

EDUCATIONAL DATA  
SYSTEMS, INC.

Defendant. : NO. 07-CV-1267

February 14, 2008  
Philadelphia, Pennsylvania

Oral deposition of ARLENE BELL,  
ESQUIRE, taken pursuant to Notice, held in the  
offices of Caring People's Alliance, 1819 John F.  
Kennedy Boulevard, Suite 220 at 10:00 a.m., on the  
above date, before Janice Philomena Vanore, a  
Professional Shorthand Reporter and Notary Public of  
the Commonwealth of Pennsylvania.

EAST COAST LEGAL SUPPORT, LLC

28 Levering Circle  
Bala Cynwyd, Pennsylvania 19004  
(610) 664-3036  
(610) 664-3041 (fax)

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APPEARANCES:

LAW OFFICES OF ECKERT, SEAMANS, CHERIN & MELLOTT,  
LLC  
BY: DYLAN J. WALKER, ESQUIRE  
Two Liberty Place  
50 South 16th Street, 22nd Floor  
Philadelphia, Pennsylvania 19102

Attorney for the Plaintiff

LAW OFFICES OF SPECTOR, GADON & ROSEN, P.C.  
BY: NANCY ABRAMS, ESQUIRE  
1635 Market Street, 7th Floor  
Philadelphia, Pennsylvania 19103

Attorney for the Defendant

EAST COAST LEGAL SUPPORT, LLC

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ARLENE BELL, ESQUIRE

BY: Ms. Abrams 4

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4

BELL

(It was stipulated by and between  
counsel that sealing, certification, and filing be  
waived; and that all objections, except as to the  
form of the question, be reserved until the time of  
trial.)

...ARLENE BELL, having been duly  
sworn, was examined and testified as follows...

BY MS. ABRAMS:

Q. Good morning, Ms. Bell. My name is  
Nancy Abrams, and I'm one of counsel for Educational  
Data Systems in this matter, and I'm going to take  
your deposition today.

Have you ever had your deposition  
taken before?

A. Yes.

Q. How recently?

A. Several months ago.

Q. Okay. I just want to go through a  
few ground rules to refresh your recollection of how  
this whole process works.

I'm going to be asking you a bunch  
of questions, you'll give a bunch of answers, and  
the court reporter will take down everything  
everybody says, so it's important you give verbal

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5

—BELL—

1 answers. She can't get nods, or shakes of the head,  
2 and uh-huh and uh-uh is also very difficult to get  
3 accurately on the record. So, if you can, say yes,  
4 no, okay, whatever.

5 Okay?

6 A. Yes.

7 Q. Thank you. Very good. Also, and  
8 this is the hardest thing at a deposition, while  
9 they are amazing, they can only type so fast, and  
10 it's difficult for them to get an accurate record if  
11 people are talking on top of one another.

12 So, even if you think you know what  
13 I'm asking you, please wait until I'm completely  
14 done with the question before you begin your answer,  
15 and I will try very hard not to interrupt your  
16 answer before I start with my next question.

17 All right?

18 A. Yes.

19 Q. Thank you. If you don't understand  
20 a question or if you need clarification, please ask,  
21 because if you do give a response, I'm going to  
22 assume that you understood the question, and that  
23 you're responding to the question that I asked you.

24 Okay?

—EAST COAST LEGAL SUPPORT, LLC—

6

—BELL—

1 A. Yes.

2 Q. I don't expect this to be a terribly  
3 long deposition, but if you need to take a break,  
4 and I'm sure that I'll need to take a break at some  
5 point, or you need to speak with counsel, just let  
6 me know. The only thing I ask is unless there's a  
7 matter of privilege, if there's a question pending,  
8 that you respond to the question before we take a  
9 break or you confer with counsel.

10 Okay?

11 A. Yes.

12 Q. Are you on any medication that will  
13 hinder your ability to fully understand and respond  
14 to my questions today?

15 A. No.

16 Q. Is there any other reason why you  
17 can't fully understand and respond to my questions  
18 today?

19 A. No.

20 Q. Very good. Can you please state  
21 your full name for the record?

22 A. Arlene, A-R-L-E-N-E, F as in Frank,  
23 Bell, B-E-L-L.

24 MS. ABRAMS: And am I correct that

—EAST COAST LEGAL SUPPORT, LLC—

7

—BELL—

1 Ms. Bell will be produced for trial if she is needed  
2 for trial and we won't have to subpoena her?

3 MR. WALKER: If you need her to  
4 appear for trial, just send me a letter.

5 MS. ABRAMS: Then I don't need your  
6 home address.

7 BY MS. ABRAMS:

8 Q. I want to get to know a little bit  
9 about you before we get down to the nuts and bolts  
10 of the matter.

11 Do you have post high school  
12 education?

13 A. Yes.

14 Q. Where did you go to college?

15 A. Temple University.

16 Q. Do you have a degree from temple?

17 A. Yes.

18 Q. What is that?

19 A. Bachelor of Science.

20 Q. In?

21 A. Sociology.

22 Q. When did you get your BS?

23 A. When?

24 Q. Yes. About.

—EAST COAST LEGAL SUPPORT, LLC—

8

—BELL—

1 A. I believe January of 1970.

2 Q. Do you have any post graduate formal  
3 education?

4 A. I do.

5 Q. And do you have a post graduate  
6 degree?

7 A. I have a JD.

8 Q. And where did you go to law school?

9 A. Temple University School of Law.

10 Q. When did you get your JD?

11 A. 1978.

12 Q. Did you work in between when you got  
13 your Bachelors and when you went to law school?

14 A. Yes.

15 Q. What did you do in between college  
16 and law school?

17 A. I was a juvenile probation officer.  
18 I was a court representative in the juvenile  
19 probation department. I was the protective services  
20 worker for children with, what was then, the  
21 Department of Public Welfare in Philadelphia. And  
22 also a court representative for that department.

23 Q. Okay. After you got your JD, did  
24 you go into the practice of law?

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9

—BELL—

1 A. I clerked for two years, for Chief  
2 Justice Evan.  
3 Q. And after you clerked?  
4 A. Yes. I went into the practice of  
5 law.  
6 Q. And who did you practice with?  
7 A. The City of Philadelphia, solicitors  
8 office.  
9 Q. So, that was from 1980 about?  
10 A. About.  
11 Q. How long were you with the  
12 solicitors office, approximately?  
13 A. Approximately a year and a half or  
14 two years.  
15 Q. Okay. And did you go into private  
16 practice after the solicitors office?  
17 A. No. I went to work as legislative  
18 aid to Councilman John Street, although I did have,  
19 on the side, a small practice.  
20 Q. When you were in the solicitors  
21 office, did you concentrate in a particular area of  
22 the law?  
23 A. I started in the legislative and  
24 counseling area, and then prior to leaving, I was

—EAST COAST LEGAL SUPPORT, LLC—

10

—BELL—

1 chief of appeals.  
2 Q. And how long did you remain  
3 legislative aid to John Street?  
4 A. Around four, four and a half years.  
5 Q. And after that what did you do?  
6 A. I went back to the Law Department.  
7 Q. Did you concentrate your practice in  
8 the Law Department in any particular area?  
9 A. I started back again in legislation  
10 and counseling, and ultimately became chief deputy  
11 for commercial litigation.  
12 Q. How long did you remain with the Law  
13 Department during that period?  
14 A. I really would need my resume to  
15 look at.  
16 Q. I don't need exact dates. I'm just  
17 trying to figure out how you got to where you are.  
18 A. That's a long trail. I'll say two  
19 and a half years. Truly, I'm guessing.  
20 Q. Okay. That's fine.  
21 And what did you do after this stint  
22 with the Law Department?  
23 MR. WALKER: If I can, she doesn't  
24 want you to guess. If you can make a reasonable

—EAST COAST LEGAL SUPPORT, LLC—

11

—BELL—

1 estimate, please do so, but it doesn't do anybody  
2 any good for you to sit here and guess.  
3 BY MS. ABRAMS:  
4 Q. What did you do after the stint with  
5 the Law Department?  
6 A. I was an assistant district  
7 attorney.  
8 Q. Did you concentrate in any  
9 particular type of cases?  
10 A. Economic crimes.  
11 Q. And approximately how long did you  
12 stay with the DA's office?  
13 A. Two years.  
14 Q. And after the DA's office, what did  
15 you do?  
16 A. You know, I just realized I  
17 transposed. The DA's office was before the second  
18 stint in the solicitors office.  
19 Q. Okay. So, you were the legislative  
20 aid for John Street, then you were an assistant DA,  
21 then you went back to the Law Department?  
22 A. Yes. Yes.  
23 Q. Okay. Then what did you do?  
24 A. Then I was chief of staff in the

—EAST COAST LEGAL SUPPORT, LLC—

12

—BELL—

1 managing director's office.  
2 Q. Of the City?  
3 A. Yes.  
4 Q. And after that?  
5 A. General counsel at the Pennsylvania  
6 Convention Center.  
7 Q. And after that?  
8 A. After that, deputy executive  
9 director of the Philadelphia Housing Authority.  
10 Q. When you were deputy executive  
11 director of the Housing Authority, did you continue  
12 to act as legal counsel?  
13 A. No, I did not.  
14 Q. Okay. And when you were chief of  
15 staff in the managing director's office, did you  
16 have any legal duties?  
17 A. No, I did not.  
18 Q. Okay. After you were deputy  
19 executive director of the Housing Authority, what  
20 did you do?  
21 A. I spent about ten months consulting.  
22 Q. And, approximately, when was this?  
23 A. About -- roughly ten years ago.  
24 Q. So, about 1998?

—EAST COAST LEGAL SUPPORT, LLC—

13

—BELL—

1 A. 1998.

2 Q. And after you consulted for about

3 ten months?

4 A. I came to this organization as

5 executive director.

6 Q. And that was in 1999?

7 A. I think it was 1998 actually. The

8 latter part of 1998, September.

9 Q. And have you remained executive

10 director of CPA since that time?

11 A. As some point, several years ago, we

12 had a reorganization and changed our titles. So,

13 I'm really -- my title is President/CEO, but I've

14 been the leader of this organization for all that

15 time, yes.

16 Q. When your title changed during the

17 reorganization, did your basic duties change?

18 A. No.

19 Q. Explain for me, generally, what your

20 responsibilities are as President and CEO?

21 A. My responsibility are the oversight

22 of the entire organization and all of it's

23 activities, working with the board of directors to

24 govern the organization, and anything that those two

—EAST COAST LEGAL SUPPORT, LLC—

14

—BELL—

1 major duties entails.

2 Q. Okay. And am I correct that your

3 office is here at 1819 JFK Boulevard?

4 A. That's correct.

5 Q. Do your duties take you to any of

6 the other sites that CPA operates?

7 A. Yes, from time to time.

8 Q. Approximately, how much, what

9 percentage of your time would you estimate you spend

10 at the various sites, at opposed to here at the

11 headquarters?

12 A. Five percent.

13 Q. Okay. How did you first become

14 familiar with Educational Data Systems, Inc.? I'm

15 going to refer to them as EDSI.

16 A. A former deputy knew them, had done

17 some work with them, or had some relationship with

18 them, John Candell.

19 Q. Okay. When is the first time that

20 your organization entered into any discussions about

21 doing any kind of joint project with EDSI to your

22 knowledge?

23 A. I don't know.

24 Q. Did Mr. Candell have initial

—EAST COAST LEGAL SUPPORT, LLC—

15

—BELL—

1 discussions with EDSI before you got involved, to

2 your knowledge?

3 A. That's my understanding, yes.

4 Q. Okay. When -- did you have any

5 direct dealing with EDSI prior to the EARN Center?

6 A. No.

7 Q. What is the first involvement you

8 had in the EARN Center project?

9 A. Mr. Macdonald and I had lunch with

10 Mr. Schnieders to just talk about the relationship,

11 the potential for a relationship in the EARN Center.

12 Q. Okay. And approximately when was

13 that?

14 A. I really don't recall.

15 Q. Was it prior to the beginning of the

16 EARN Center project in early 2005?

17 A. I don't know what you mean by early

18 2005.

19 Q. January, February, 2005?

20 A. It would have been prior to the

21 beginning of the EARN Center project, yes.

22 Q. Okay. Did you have any involvement

23 in the decision for CPA to join with EDSI in the

24 EARN Center project?

—EAST COAST LEGAL SUPPORT, LLC—

16

—BELL—

1 A. Yes.

2 Q. Can you describe that for me,

3 please?

4 A. Ultimately, it would be my decision

5 whether we were going to collaborate with an outside

6 organization in any contract.

7 Q. And what was your understanding of

8 the scope of the EARN Center project at the time

9 that you were making the decision whether or not to

10 join with EDSI in the project?

11 A. What do you mean by "the scope"?

12 Q. What would CPA be doing as part of

13 the EARN Center project if they joined with EDSI in

14 the project?

15 A. We would be -- we would have two

16 roles, essentially. Landlord being one of them,

17 because the EARN Center was going to be cited at our

18 facility in West Philadelphia, and the other would

19 be in the capacity as a subcontractor to provide

20 case management services for those people who are

21 working through the EARN Center.

22 Q. Did you have any involvement in

23 procuring the staffing for the EARN Center project,

24 the staff that CPA was to provide for the case

—EAST COAST LEGAL SUPPORT, LLC—



17

—BELL—

1 managers?

2 A. No.

3 Q. Who had that responsibility, to your  
4 knowledge?

5 A. I don't really know. You know, it  
6 would've been a number of people involved in hiring  
7 people.

8 Q. But you weren't directly involved in  
9 that process?

10 A. Other than just signing the  
11 paperwork. That would be it.

12 Q. Okay. Let me show you --

13 MS. ABRAMS: And, Dylan, I'm not  
14 going to have her remark exhibits that were already  
15 marked. And I actually took the exhibits from the  
16 deposition transcript. So, they're marked.

17 MR. WALKER: Okay.

18 BY MS. ABRAMS:

19 Q. Let me show you what we've  
20 previously marked as Macdonald-1.

21 And ask if you've ever seen this  
22 document before?

23 A. It appears to be a copy of our  
24 contract with EDSI.

—EAST COAST LEGAL SUPPORT, LLC—

18

—BELL—

1 Q. And if you look at page 9 of the  
2 contract, is that your signature?

3 A. Yes.

4 Q. Okay. I'd like to call your  
5 attention to some of the provisions of the contract.

6 If you look at page 3, please, and  
7 just read to yourself section 5A, Invoicing.

8 At the time you signed this  
9 contract, were you aware of the timeframes in which  
10 invoices should be submitted under the terms of the  
11 contract?

12 A. Well, yes, I was.

13 But I really, you know, want to  
14 point out that at the time that we signed this  
15 contract, or I signed this contract, I wasn't aware  
16 there were already late invoices at issue. I was  
17 never made aware of that.

18 Q. Okay. So, did you have any  
19 involvement in the actual preparation and submission  
20 of invoices?

21 A. Absolutely none.

22 Q. So, you had no knowledge at the time  
23 as to whether invoices were prepared and submitted  
24 on a timely basis?

—EAST COAST LEGAL SUPPORT, LLC—

19

—BELL—

1 A. No.

2 Q. Okay. We don't really need to talk  
3 about this then.

4 As part of the contract, was it your  
5 understanding that -- let me back up for a minute.

6 I want to talk a little bit about  
7 the West Philadelphia facility. Am I correct that  
8 this is a facility that is owned by CPA?

9 A. Yes.

10 Q. And what was your understanding of  
11 the programs that were operating in that center at  
12 the time, just prior to when the EARN Center was  
13 established; the programs that were operating in  
14 that facility?

15 A. Child care, after school programs,  
16 summer camp, senior program, I really don't recall  
17 which clinical programs may or may not have been  
18 operating.

19 Q. Was it -- do you have an  
20 understanding as to whether or not that facility was  
21 being underutilized just prior to the time the EARN  
22 Center was established in the building?

23 MR. WALKER: Objection to the form.

24 BY MS. ABRAMS:

—EAST COAST LEGAL SUPPORT, LLC—

20

—BELL—

1 Q. You can answer.

2 A. The answer is it depends. When you  
3 run a community center, for example, if you have an  
4 after school program, certain rooms may be used  
5 during the after school hours, and they may not be  
6 being used during the other hours of the day. So,  
7 in that sense, there could be underutilization of  
8 the space, yes.

9 Q. Prior to entering into the EARN  
10 Center contract, do you know when the last previous  
11 time that renovations had been done to that  
12 building?

13 A. What kind of renovations?

14 Q. To the physical plant.

15 A. Major renovations?

16 Q. Significant painting, repairs --

17 MR. WALKER: Objection to the form.

18 BY MS. ABRAMS:

19 Q. -- of the physical plant?

20 A. Well, there are always repairs going  
21 on. I don't have any specific recollection.

22 You know, if equipment breaks down,  
23 and it's repaired, floors are replaced, carpeting is  
24 ripped up and tiles are put down. I mean, those

—EAST COAST LEGAL SUPPORT, LLC—

21

—BELL—

1 kinds of things happen intermittently.

2 I don't have any specific  
3 recollection of what happened prior to the EARN  
4 Center.

5 Q. Okay. As part of the contract with  
6 EDSI for the EARN Center, was it your understanding  
7 that significant renovations would be done to the  
8 that building?

9 A. It wasn't as much renovations as I  
10 think modifications to the building. I mean, I say  
11 that to the sense that the building can certainly  
12 use a new HVAC system, and that was not part of the  
13 contract.

14 The renovations that were done were  
15 work that was done to accommodate the additional  
16 staff that the EARN Center was going to be having in  
17 the building, the work areas for them, and some  
18 cosmetic work that needed to be done.

19 And, I believe, there was renovation  
20 of our computer lab, because they felt it was not up  
21 to their standard, and they wanted to use our  
22 computer lab.

23 Q. Okay.

24 MS. ABRAMS: Can you mark this,

—EAST COAST LEGAL SUPPORT, LLC—

22

—BELL—

1 please, as Bell-1?

2 (Whereupon, a document was marked  
3 for identification as Exhibit Bell-1.)  
4 BY MS. ABRAMS:

5 Q. Just take a minute and read through  
6 this to yourself.

7 Have you ever seen the document that  
8 I marked as Bell-1 before?

9 A. I don't recall seeing it, no.

10 Q. I'll represent that this was  
11 provided to me by your counsel as part of the  
12 documents that the CFA had regarding this matter.

13 Were you involved at all in the  
14 discussion of what renovations, including  
15 refurbishing, would be in the West Philadelphia  
16 Community Center?

17 A. In the discussions? No, I was not.

18 Q. Okay. Do you have any knowledge as  
19 to whether or not the renovations and purchases  
20 indicated in this document were actually made and  
21 done?

22 A. Well, I would not say I have  
23 knowledge of each and every one, but I know that new  
24 furniture was purchased, I know that area in the

—EAST COAST LEGAL SUPPORT, LLC—

23

—BELL—

1 lobby was reconstructed to create work stations, and  
2 many of these things. There was a divider placed in  
3 the cafeteria. I'm sure there was painting and some  
4 carpeting.

5 I can't -- I know there was a lot of  
6 discussion around the phone lines and computer  
7 lines, and I don't know the details of that.

8 Q. Okay. So, you weren't involved in  
9 any issues that arose regarding the T1 line, and the  
10 phone system, and everything else?

11 A. No.

12 Q. Okay. The invoices submitted by CPA  
13 indicate that a total of \$156,860.11 were spent on  
14 construction.

15 Do you have any reason to believe  
16 that that's not correct?

17 MR. WALKER: Objection to form.

18 THE WITNESS: No.

19 BY MS. ABRAMS:

20 Q. Okay. And, to your knowledge, the  
21 -- am I correct that any renovations to the physical  
22 space obviously remained at the West Philadelphia  
23 Community Center?

24 MR. WALKER: Objection to form.

—EAST COAST LEGAL SUPPORT, LLC—

24

—BELL—

1 THE WITNESS: Renovations?

2 BY MS. ABRAMS:

3 Q. The painting, the carpeting.

4 A. Of course.

5 Q. To your knowledge, did the furniture  
6 that was purchased for the EARN Center remain at the  
7 West Philadelphia Community Center?

8 MR. WALKER: Objection to the form.

9 THE WITNESS: As far as I know, some  
10 of it did, and some of it did not.

11 BY MS. ABRAMS:

12 Q. But you don't know any specifics?

13 A. No.

14 Q. Okay. Were you aware in -- that an  
15 outside group MD Openheim and Company did an audit  
16 of the accounting systems and controls?

17 MR. WALKER: Objection to form.

18 THE WITNESS: No.

19 BY MS. ABRAMS:

20 Q. Let me show you what was previously  
21 marked as Terrell-1.

22 You don't have to read through it,  
23 specifically, but let me just ask you whether --  
24 look through it briefly, and let me know whether

—EAST COAST LEGAL SUPPORT, LLC—

25

-BELL-

1 you've ever seen this document?

2 A. No.

3 Q. Did you become aware, at any time,  
4 of any corrective actions that were requested  
5 regarding the way that invoices and supporting  
6 documentation were provided?

7 MR. WALKER: Objection to form.

8 THE WITNESS: No.

9 MS. ABRAMS: Mark this, please, as  
10 Bell-2.

11 (Whereupon, a document was marked  
12 for identification as Exhibit Bell-2.)

13 BY MS. ABRAMS:

14 Q. Can you just read through this to  
15 yourself, please?

16 Do you recall meeting with  
17 Mr. Schnieders and Mr. Macdonald regarding any  
18 issues that are listed in this?

19 MR. WALKER: Hold on. Has she had a  
20 chance to review this? Does she feel comfortable  
21 that she's looked through it?

22 MS. ABRAMS: Well, she read through  
23 it, closed it, and looked up.

24 BY MS. ABRAMS:

—EAST COAST LEGAL SUPPORT, LLC—

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-BELL-

1 Q. I'm sorry if I assumed, but have you  
2 thoroughly reviewed the document?

3 A. I've reviewed it.

4 Q. Do you recall meeting with  
5 Mr. Schnieders and Mr. Macdonald regarding any of  
6 the issues listed in this e-mail?

7 A. No.

8 Q. Do you recall having any meetings  
9 with Mr. Schnieders about any safety, or space, or  
10 staff, or equipment issues at the EARN Center?

11 MR. WALKER: Objection to form.

12 THE WITNESS: I believe I had a  
13 phone conversation with Mr. Schnieders about some of  
14 his issues.

15 BY MS. ABRAMS:

16 Q. But you don't recall actually having  
17 a meeting with Mr. Macdonald and Mr. Schnieders?

18 A. No.

19 Q. Okay. Are these -- at the time, are  
20 these the types of issues that Mr. Macdonald, it  
21 would've been his responsibility to address these  
22 issues?

23 A. Yes.

24 MR. WALKER: Objection to the form.

—EAST COAST LEGAL SUPPORT, LLC—

27

-BELL-

1 BY MS. ABRAMS:

2 Q. Do you know whether or not Mr.  
3 Macdonald actually met with Mr. Schnieders regarding  
4 these issues?

5 A. I don't know.

6 Q. Okay. Did you ever see a copy of  
7 this e-mail?

8 A. I don't recall ever seeing this  
9 e-mail.

10 Q. Okay. Do you recall any issues  
11 arising in June of 2005 regarding the use of space  
12 in that facility because of the summer program?

13 A. I don't know when those issues came  
14 up, but it's a logical time for a summer program  
15 issue to come up. I think this were some dispute  
16 about one hour in the day in certain areas of the  
17 building, but we had already agreed on sharing of  
18 times. And, essentially, we stuck to what we had  
19 agreed to.

20 Q. Let me show you what was previously  
21 marked as Macdonald-2. If you can just read that to  
22 yourself, please.

23 Have you reviewed the document?

24 A. Yes.

—EAST COAST LEGAL SUPPORT, LLC—

28

-BELL-

1 Q. Have you ever seen these string of  
2 e-mails before?

3 A. No.

4 Q. Okay. Do you recall having  
5 conversations with Mr. Schnieders regarding the  
6 space usage for the summer program?

7 A. Yes.

8 Q. And does his characterization of  
9 those conversations to Mr. Macdonald accurately  
10 reflect your conversations?

11 MR. WALKER: Objection to form.

12 THE WITNESS: I really don't  
13 remember this kind of detail. I know that we rented  
14 space offsite that summer, and took children back  
15 and forth to another place because we couldn't  
16 accommodate them in our building.

17 BY MS. ABRAMS:

18 Q. Okay. Do you recall any issues  
19 coming up with the interaction between Ms. Falcone  
20 and Brenda Terrell?

21 A. Yes.

22 Q. And did you have any involvement in  
23 the resolution of those issues?

24 A. Ultimately, I did.

—EAST COAST LEGAL SUPPORT, LLC—

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-BELL-

1 Q. Let me show you what was previously  
2 marked as Macdonald-3.

3 Do you recall seeing this e-mail  
4 when it was sent?

5 A. Not really, but I'm copied on it.

6 Q. Okay. What do you recall of the  
7 issues that is arose between Ms. Falcone and  
8 Ms. Terrell?

9 A. What I recall is there were issues  
10 about the daily meetings that occurred at 8:00 a.m.  
11 and CPA employees didn't begin work at 8:00 a.m.

12 When they were hired, they weren't  
13 given those hours as their hours of work in their  
14 hiring information. Other than that, I would have  
15 to say in the general sense that there seemed to be  
16 some friction between Ms. Falcone and Ms. Terrell  
17 around various aspects of who people reported to,  
18 were they CPA employees reporting to Ms. Falcone or  
19 were they reporting to Ms. Terrell. Things of that  
20 nature.

21 Q. Okay. And you indicated that you  
22 ultimately had a role in resolving those issues?

23 A. Yes. I left it to other people to  
24 resolve those issues. However, as time went by, and

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-BELL-

1 things didn't seem to improve, I decided we needed  
2 to have some change in our staffing in an attempt to  
3 find somebody who could have a better working  
4 relationship with Ms. Falcone, and so I selected  
5 somebody to do that.

6 Q. And as a result of that decision,  
7 was Ms. Terrell terminated?

8 A. I believe Ms. Terrell left.

9 Q. Okay. And who did you select to  
10 take over those duties?

11 A. Gwen Price.

12 Q. Okay. Do you also recall issues  
13 arising regarding staffing at the EARN Center? The  
14 fact that the EARN Center was having -- was not  
15 being fully staffed?

16 MR. WALKER: Objection to the form.

17 THE WITNESS: Well, I mean, in the  
18 beginning, when we were hiring, it wasn't fully  
19 staffed. So, if that was an issue because people  
20 didn't -- who hadn't been hired yet, didn't go to  
21 the trainings that had been established because they  
22 hadn't been hired yet.

23 And, also, toward the latter part of  
24 the contract, we began not replacing workers because

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-BELL-

1 it didn't make any sense for us to be hiring people  
2 when we were going to be out of the contract in a  
3 number of months. It would make more sense for EDSI  
4 to hire those people.

5 BY MS. ABRAMS:

6 Q. Whose responsibility was it to hire  
7 the staff for the EARN Center, if you know?

8 MR. WALKER: Objection. Asked and  
9 answered.

10 THE WITNESS: When you say, "the  
11 EARN Center", do you mean the whole EARN Center or  
12 our portion?

13 BY MS. ABRAMS:

14 Q. For your portion of it.

15 A. It would have been Ms. Terrell, and  
16 then after that, Ms. Price.

17 Q. You indicated that people weren't  
18 available to go to the training because they hadn't  
19 been hired yet?

20 A. Yes.

21 Q. Was it your understanding that the  
22 hiring was not completed in a timely manner?

23 MR. WALKER: Objection to form.

24 THE WITNESS: No. No.

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-BELL-

1 BY MS. ABRAMS:

2 Q. Okay. Do you recall issues arising  
3 regarding how the case management was being done,  
4 whether it was sufficient for the needs of the  
5 program?

6 MR. WALKER: Objection to the form.

7 THE WITNESS: No. I don't remember  
8 taking that form.

9 BY MS. ABRAMS:

10 Q. Okay. I'll show you what was  
11 previously marked as Terrell-2.

12 Do you recall receiving this e-mail?

13 A. No, but I am copied on it.

14 Q. I'd like to direct your attention to  
15 the second paragraph, about the middle, it says,  
16 "Beginning July 1 of this fiscal year, the contract  
17 is being converted from a cost reimburse to  
18 performance based design."

19 Do you see that?

20 A. Yes.

21 Q. What is your understanding of the  
22 import of that?

23 MR. WALKER: Objection to the form.

24 THE WITNESS: Well, it's not

-EAST COAST LEGAL SUPPORT, LLC-

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—BELL—

1 specific. It's not specific because it doesn't give  
2 any percentages or any solid information about what  
3 this conversion is.

4 BY MS. ABRAMS:

5 Q. What's the difference to your  
6 understanding of what a cost reimburse contract is  
7 versus a performance based contract?

8 A. Well, cost reimbursement is, you  
9 know, you bill for expenses and they are compensated  
10 for. And performance based requires that there be  
11 certain outcomes in order to be reimbursed  
12 regardless of the cost.

13 Q. So, as of the date of this e-mail,  
14 were you aware that from July 1, 2005 going forward,  
15 at least part of the contract would be performance  
16 based as opposed to cost reimbursement?

17 MR. WALKER: Objection to the form.

18 THE WITNESS: Candidly, I don't  
19 recall it.

20 BY MS. ABRAMS:

21 Q. Okay. At the time that the contract  
22 was entered into for the EARN Center, what was your  
23 understanding as to what types of performance -- was  
24 it your understanding that there were performance

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—BELL—

1 benchmarks that needed to be accomplished as part of  
2 the contract?

3 A. That there would be? Yes.

4 Q. Okay. Were you ever informed as to  
5 what those performance benchmarks were?

6 A. No. I'm not a workforce development  
7 expert. I would not have gotten into that logo of  
8 detail.

9 Q. Did you have any involvement into  
10 either tracking whether or not benchmarks, which  
11 were part of the contract, were met?

12 A. No.

13 Q. And who would have been responsible  
14 for tracking the performance against the benchmarks  
15 on behalf of CPA?

16 MR. WALKER: Objection to the form.

17 THE WITNESS: Whoever was running  
18 the program. Our portion of the program.

19 BY MS. ABRAMS:

20 Q. So, that would've been Ms. Terrell  
21 and then Ms. Price?

22 A. Yes. And, apparently, Mr. Macdonald  
23 in between, must have been in on the thing we did.

24 Q. Okay. Let me show you what was

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—BELL—

1 previously marked as Terrell-3.

2 Have you ever seen this document  
3 before?

4 A. It's not familiar to me.

5 Q. Were you made aware of any of the  
6 issues that were raised in this document?

7 A. I was made aware of issues that came  
8 to light as a result of an audit. I don't know if  
9 it's reflected in this document or a subsequent  
10 document.

11 Q. Okay. So, you became aware of --  
12 when you say, "audit", are these the audits that the  
13 Philadelphia Work Force Development Corporation,  
14 PWDC, performed?

15 A. Yes.

16 Q. Okay. We'll get to those.

17 Would you have had any involvement  
18 in any corrective actions regarding any of the  
19 issues raised in this memorandum?

20 A. I never saw this memorandum, so  
21 likely not.

22 Q. Okay. Let me show you what was  
23 previously marked as Terrell-5.

24 And you don't have to read it in

—EAST COAST LEGAL SUPPORT, LLC—

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—BELL—

1 detail, just look over it generally.

2 Do you recall receiving a copy of  
3 this audit done by PWDC?

4 A. This or another audit. I mean, I  
5 don't know that this is the audit I received, but I  
6 did, at some point, see an audit that was done by  
7 PWDC that looks like this.

8 Q. So, am I correct that you only saw  
9 one audit?

10 A. Yes.

11 Q. And you don't recall which?

12 A. I'm sure that whatever audit I saw  
13 was a latter audit.

14 Q. Okay. Then, am I also correct, that  
15 prior to receiving the audit that you actually  
16 received, you had no involvement in any corrective  
17 actions called for by any of the previous audits?

18 A. No, not specifically. That doesn't  
19 mean that I didn't discuss the fact with people,  
20 like Mr. Macdonald, that there had been an audit  
21 done or some looky at the program done and that  
22 some things needed to -- there was a lot, I think,  
23 of confusion, more often times, as I understand it,  
24 that PWDC was changing their rules as quickly as

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-BELL-

1 people could try and keep up with it. So, it was a  
2 problem that everybody was coping with, not just us.

3 Q. And how did you come to that  
4 understanding?

5 A. By way of conversations.

6 Q. With whom, if you recall?

7 A. Probably Mr. Macdonald. I don't  
8 recall specific conversation.

9 Q. Do you recall any conversations with  
10 Mr. Macdonald in or around the beginning of  
11 November, 2005 regarding issues that is were raised  
12 by PWDC?

13 A. I will not be able to recall the  
14 month and day of a conversation at this point about  
15 this kind of material. It's just too many things  
16 going on around here in a day, a month, a week for  
17 me to tell you what conversation I had in a month  
18 several years ago.

19 Q. Okay. Did you have any involvement  
20 in preparing any type of corrective action plan for  
21 the EARN Center at any time?

22 A. The only part I had was to review  
23 when Price's corrective action plan. Whenever she  
24 prepared that. And, again, I will not be able to

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-BELL-

1 give you the month and year of that, but she did  
2 share that with me.

3 This was the plan that she was  
4 proposing.

5 Q. That Ms. Price proposed?

6 A. Yes.

7 Q. Let me show you what was previously  
8 marked as Terrell-6, and ask you just to review it  
9 to yourself.

10 Have you reviewed the document?

11 A. Yes.

12 Q. Is this a corrective action plan  
13 that you recall reviewing?

14 A. I did not review this plan, but I'm  
15 looking at this plan, and it's jogging my memory  
16 that we had a meeting with Mr. Schnieders, I think  
17 Roe was there, Brenda, and Gwen, and I don't know if  
18 it was this one or a subsequent one.

19 Q. And what do you recall of that  
20 meeting?

21 A. It was a meeting to discuss what we  
22 were going to do in response to some of the  
23 problems, the findings of an audit.

24 Q. And do you are recall any of the

-EAST COAST LEGAL SUPPORT, LLC-

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-BELL-

1 specifics of those discussions?

2 A. No.

3 Q. At some time did you become aware  
4 that part of the EARN Center moved out of the West  
5 Philadelphia Community Center?

6 MR. WALKER: Objection to the form.

7 THE WITNESS: Yes.

8 BY MS. ABRAMS:

9 Q. And how did you become aware of  
10 that?

11 A. I'm not sure how I first became  
12 aware of that, but I did have a conversation with  
13 Mr. Schnieders about it.

14 Q. What do you recall about that  
15 conversation?

16 A. He felt that they needed additional  
17 space. They had been given another county  
18 assistance office. They were still going to use  
19 West Philadelphia Community Center, but they were  
20 going to divide up the functions between the two  
21 sites differently. And I -- candidly, that's about  
22 the gist of the conversation.

23 It wasn't relieving. It was that we  
24 needed all this additional space because we're going

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-BELL-

1 to have all these additional clients that we're  
2 going to have to serve, and there's not enough space  
3 in the Community Center to do all of this and still  
4 do X, Y, and Z at the Community Center, whatever  
5 that might be.

6 Q. Do you recall, approximately, when  
7 that conversation took place?

8 A. No, I don't.

9 Q. Did you become aware, at sometime,  
10 that the EARN Center completely left the West  
11 Philadelphia Community Center?

12 MR. WALKER: Objection to the form.

13 THE WITNESS: They never said that  
14 they completely left. They left things there. They  
15 kept saying they were going to have job fairs, and  
16 they were going to perform some other functions of  
17 their operation there. And that was towards the end  
18 of the fiscal year. And then they just stopped  
19 doing it.

20 But, no, I mean, I was not told, and  
21 I was not under the understanding that they just  
22 moved out and would no longer conduct any business  
23 in that building.

24 BY MS. ABRAMS:

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-BELL-

1 Q. Okay. Do you recall attending a  
2 meeting in January of 2006 regarding changes in the  
3 budget made by FWDC?

4 MR. WALKER: Objection to form.

5 THE WITNESS: January? No.

6 MS. ABRAMS: Let me mark this as  
7 Bell-3, please.

8 (Whereupon, a document was marked  
9 for identification as Exhibit Bell-3.)

10 BY MS. ABRAMS:

11 Q. Is this your handwriting?

12 A. No.

13 Q. Do you know whose handwriting it is?

14 A. No.

15 Q. Okay. Do you recall attending a  
16 meeting with Jerry, where the FWDC budget changes  
17 were discussed?

18 A. No. Not in January, no.

19 Q. Do you recall attending a meeting of  
20 that nature at all?

21 A. Yes.

22 Q. Let me show you what was previously  
23 marked as ~~Exhibit~~ **Exhibit** Bell-13.

24 Have you ever seen this document

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-BELL-

1 before?

2 A. I'm not sure. This looks like a  
3 photo document that was given out at a meeting in  
4 April.

5 Q. It may have been April?

6 A. It looks like it, but I don't know  
7 if the numbers are the same as what I was handed out  
8 in that meeting. I don't know.

9 Q. Okay. At that meeting that you  
10 recall being in April, do you recall specific  
11 discussion regarding what percentage of the contract  
12 would be cost reimbursement, and what percentage  
13 would be performance based?

14 A. Yes.

15 Q. And does this document, which says  
16 70 percent cost reimbursed, is that the percentage  
17 that you recall being discussed at the meeting?

18 A. Yes.

19 Q. Was there any discussion at that  
20 meeting as to what benchmarks would have to be met  
21 to earn the 30 percent performance base?

22 A. There was another page. If this is  
23 what was handed out, there was another page that  
24 listed those items. And it's not in front of me. I

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-BELL-

1 don't recall what they were.

2 Q. Okay. Did you have any involvement  
3 in making sure that benchmarks were met at the EARN  
4 Center?

5 A. My involvement in making sure  
6 benchmarks were met were just general oversights, so  
7 that, as I've said to you, when I felt that problems  
8 were not being resolved, and I had given them enough  
9 time to get resolved with other people that I made  
10 changes in attempt to resolve them.

11 I don't think that anyone thought we  
12 could go back and fix what was already done earlier.

13 Q. And those changes were when you put  
14 Ms. Price in charge of the program?

15 A. Yes.

16 Q. And are there any other changes that  
17 you recall making?

18 A. I wouldn't say I made changes. I  
19 would just say, you know, when I had conversations  
20 with Mr. Macdonald, specifically, if there were  
21 problems, I tried to help him find ways to solve  
22 those problems and move things along.

23 Q. Was Mr. Macdonald the person who,  
24 at, kind of, an oversight level, was responsible for

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-BELL-

1 making sure that what needed to be done at the EARN  
2 Center was done?

3 A. Yes.

4 Q. Okay. Let me show you what was  
5 previously marked as Macdonald-4.

6 Do you recall seeing this document  
7 before?

8 A. I don't recall it, but I probably  
9 did.

10 Q. Okay. Do you recall having any  
11 discussions with anyone in your staff regarding the  
12 results of this audit?

13 A. This is actually -- has a corrective  
14 action plan attached to it. Part of it is really --  
15 I mean, there are elements on this document that are  
16 the corrective action plan that EDSI submitted.

17 It would've been, in a sense, after  
18 the fact.

19 Q. Okay. The date on this cover letter  
20 of the audit is March 3, 2006. Do you recall having  
21 any conversations after that date, regarding any  
22 remaining efficiencies that are noted in this audit?

23 A. No, I don't. But, again, my  
24 conversations would've been ongoing and calculated

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-BELL-

1 to make sure that we were trying, for our part, to  
2 address what was going wrong. With the  
3 understanding that what was going wrong, wasn't  
4 necessary all our part.

5 Q. Okay. When you say, "with what was  
6 going on wasn't necessary all your part", can you  
7 explain that a little bit further about who else?

8 A. If there were other people who was  
9 part of this program, EDSI was running this program.  
10 They had things that they were supposed to do as  
11 well.

12 There were conversations about who  
13 was -- why were there boxes of things that were  
14 never put into the system, documents that were not  
15 properly entered into the database.

16 There were some disputes about who  
17 was responsible for what. As well as I understood  
18 it, some confusion along the way, based on the  
19 changing requirements of the funder was applying to  
20 the program.

21 Q. And who do you recall having these  
22 conversations with?

23 A. I don't recall who I had those  
24 conversations with.

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-BELL-

1 Q. And do you recall any specifics of  
2 those conversations other than what you already  
3 said?

4 A. No, I don't.

5 Q. Okay. Let me show you what was  
6 previously marked as Macdonald-5.

7 Do you recall seeing this audit?

8 A. No, I don't. It doesn't mean I  
9 didn't see it. I just don't recall it.

10 Q. Okay. Do -- am I correct that May  
11 4th, 2006 was almost at the end of that current  
12 fiscal year?

13 MR. WALKER: Objection to the form.

14 THE WITNESS: Yes.

15 BY MS. ABRAMS:

16 Q. And what is your understanding of  
17 when CPA's obligations under the contract ended?

18 A. June 30th, 2006.

19 Q. Do you recall having any discussions  
20 with anyone about the shortfalls that are noted in  
21 the audit dated May 4th, 2006?

22 A. My answer would be the same as it  
23 was for any of these. You know, Ms. Price was  
24 really an expert in working with PWDC and the kinds

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-BELL-

1 of standards that they have. I thought that I could  
2 rely on her to address these kinds of concerns.

3 Q. Okay.

4 A. She was, by then, cited at the other  
5 location.

6 Q. She was not at the West Philadelphia  
7 Community Center?

8 A. No, she wasn't.

9 Q. Do you recall when she and her staff  
10 moved from the West Philadelphia Community Center?

11 A. Some time that spring.

12 Q. Okay. Did you have any oversight as  
13 to who at the West Philadelphia Community Center was  
14 actually doing work on the EARN Center project?

15 MR. WALKER: Objection to the form.

16 THE WITNESS: Did I have any  
17 oversight?

18 BY MS. ABRAMS:

19 Q. Yes. Did you have any -- did you  
20 review, for instance, any of the invoices to see  
21 that the people who were invoiced were actually  
22 working on the --

23 A. I don't review invoices. I have  
24 nothing to do with invoicing.

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-BELL-

1 Q. Okay. Did you become aware at some  
2 point, as to what portion of the performance based  
3 part of the contract was actually paid by PWDC?

4 A. No, I didn't.

5 Q. Okay. When is the first time that  
6 you became aware of the final payment made by EDSI  
7 to CPA in October of 2006?

8 MR. WALKER: Objection to the form.

9 THE WITNESS: If it was made in  
10 October, which I can not testify to, but I know it  
11 was a while after the end of the fiscal year,  
12 probably upon its arrival, or shortly there after.

13 BY MS. ABRAMS:

14 Q. Did you have any discussions with  
15 anyone at CPA, other than counsel, regarding the  
16 payment that was made, that last payment that CPA  
17 actually received?

18 A. Yes.

19 Q. And who did you have discussions  
20 with?

21 A. With my fiscal department.

22 Q. Who, specifically, if you recall?

23 A. With Mr. Hastings, specifically, and  
24 probably my CFO.

-EAST COAST LEGAL SUPPORT, LLC-



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—BELL—

- 1 Q. Who is your CFO?
- 2 A. Mr. Christy.
- 3 Q. Did you have one conversation or
- 4 more than one conversation?
- 5 A. I'm sure it was more than one.
- 6 Q. Do you recall any specific
- 7 conversations, or do you just have a general
- 8 recollection of what was discussed?
- 9 A. There certainly were discussions
- 10 about the fact that that check was marked
- 11 performance based, as though it was from the
- 12 performance based portion of the contract, and,
- 13 therefore, was not any of the cost reimbursement
- 14 portion. And secondarily, I said, "Do not deposit
- 15 the check. If we deposit it, we may be foregoing
- 16 our right to take action. I want to seek legal
- 17 counsel about that."
- 18 Q. What else do you recall about those
- 19 discussions?
- 20 A. Nothing much. Shocking.
- 21 Q. Okay. When that check was received,
- 22 was there a revised budget that was also submitted
- 23 to your recollection?
- 24 MR. WALKER: Objection to the form.

—EAST COAST LEGAL SUPPORT, LLC—

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—BELL—

- 1 THE WITNESS: I don't know what you
- 2 mean by that.
- 3 BY MS. ABRAMS:
- 4 Q. Did EDSI provide any explanation of
- 5 how they arrived at the number, the amount of the
- 6 check?
- 7 A. No, not that I saw. No.
- 8 Q. Aside from any conversations with
- 9 counsel, do you recall any other communications that
- 10 you had regarding performance issues with the EARN
- 11 Center contract, other than what we've already
- 12 discussed?
- 13 A. Not specifically, no.
- 14 Q. Other than what we've already
- 15 discussed, and any conversation with counsel, where
- 16 counsel was present, do you have -- did you have any
- 17 other communication regarding the invoices submitted
- 18 to EDSI?
- 19 A. For the latter part of the contract.
- 20 I would, periodically, have a conversation with Mr.
- 21 Hastings about whether we had been paid. He was
- 22 telling me he was speaking with a controller out in
- 23 Michigan, and that they had just not been paid by
- 24 PWDC, but as soon as they were paid by PWDC, we'd be

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—BELL—

- 1 paid.
- 2 And somewhere along the line, of
- 3 course, I called Mr. Schnieders and said, you know,
- 4 "Your controller has stopped calling our people
- 5 back."
- 6 And he said, "I'll take care of
- 7 that. I can't understand that."
- 8 So, you know, the conversations that
- 9 I had, never indicated to me that there was no
- 10 payment for the cost reimbursement portion
- 11 forthcoming.
- 12 Q. Aside from what we've already talked
- 13 about, and any conversations you had with counsel or
- 14 where counsel was present, do you recall any other
- 15 conversations regarding the final check that you
- 16 received from EDSI?
- 17 A. I'm sure I told Mr. Macdonald, for
- 18 example, that they're not paying us for any of our
- 19 expenses for the last six months, and we got a check
- 20 that says "performance based payment."
- 21 We were lead to believe that we
- 22 would be paid.
- 23 Q. And tell me how you were lead to
- 24 believe that you would be paid?

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—BELL—

- 1 A. Well, when we had the meeting with
- 2 the revised budget, we were given numbers, and I sat
- 3 with my fiscal people, because I'm not a fiscal
- 4 person, and said, "Can we make it through the rest
- 5 of the year with this money?"
- 6 And based on the numbers that we
- 7 were given, we concluded that we would be able to
- 8 break even based on what was put in front of us that
- 9 day in April, I believe it was.
- 10 MS. ABRAMS: Can we take a five
- 11 minute break?
- 12 MR. WALKER: Sure.
- 13 BY MS. ABRAMS:
- 14 Q. Was the EARN Center contract your
- 15 first contract with PWDC?
- 16 A. No.
- 17 Q. Did you have an understanding, prior
- 18 to entering into the EARN Center contract, what that
- 19 invoice requirements were of PWDC?
- 20 A. I don't do the invoicing, so, no.
- 21 Q. So, you had no understanding about
- 22 the timeframes in which invoices were required to be
- 23 submitted?
- 24 A. I'm not involved in invoicing.

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-BELL-

1 Q. At all?

2 A. No.

3 Q. Were you familiar prior to entering

4 into the EARN Center contract about the difference

5 between a cost reimbursement and a performance based

6 portion of a contract with PWDC?

7 A. Yes.

8 Q. And can you explain for me what your

9 understanding was of the requirements for being paid

10 for the performance based portions of a PWDC

11 contract?

12 MR. WALKER: Objection to the form.

13 THE WITNESS: I -- since I didn't

14 document for invoices, I can't give you specifics.

15 I mean, our experience was the Pregnant and

16 Parenting Youth Program. My understanding is that

17 there were records that were kept, that reflected

18 whatever the outcomes that PWDC required for the

19 contract, and they would look at those documents and

20 determine your performance.

21 BY MS. ABRAMS:

22 Q. And was it your understanding that

23 the amount that would be paid on the performance

24 based contract would be based on the documentation

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-BELL-

1 of reaching those specific benchmarks?

2 MR. WALKER: Objection to the form.

3 Which contract are we talking about?

4 MS. ABRAMS: She mentioned the

5 pregnancy and --

6 THE WITNESS: Pregnant and Parenting

7 Youth.

8 BY MS. ABRAMS:

9 Q. Let's take that for an example. Was

10 it your understanding that the payment for the

11 performance based portion of that contract was

12 dependant upon your organization fulfilling specific

13 benchmarks set forth by PWDC?

14 A. You know, I'm not even sure that

15 that contract had a performance based component.

16 However, it did have performance goals by which your

17 contract performance was judged.

18 I don't believe that that

19 necessarily meant anything to your payments.

20 However, it meant something to the future of you

21 having the contract.

22 Q. Okay. In your experience, when

23 there was a performance based portion to a contract,

24 was it your understanding that certain benchmarks

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-BELL-

1 that the payment was dependant upon your performance

2 as compared to certain benchmarks set my PWDC?

3 A. Yes.

4 Q. Okay. Aside from what we already

5 discussed, and any conversations or communications

6 where counsel was involved, or with counsel, do you

7 recall any other communication regarding this

8 lawsuit?

9 MR. WALKER: Objection to the form.

10 THE WITNESS: In a general sense,

11 I'm sure I had some conversation with Mr. Macdonald

12 about it, with Ms. Price about it, with my board of

13 directors making them aware of it.

14 BY MS. ABRAMS:

15 Q. Do you recall any specifics of any

16 of those conversations?

17 A. No. I mean, for the board of

18 directors, we would just simply be making a factual

19 presentation of where things stand, and what action

20 we've taken, and give them progress reports.

21 With a staff member of the

22 management team, it would just be general

23 conversation.

24 Q. Aside from what we've already spoken

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-BELL-

1 about, or any conversations with counsel, or where

2 counsel was present, do you recall any other

3 communication regarding CPA's contract with EDSI?

4 MR. WALKER: Objection to the form.

5 THE WITNESS: I probably have had a

6 conversation with Debbie Coleman of PWDC, because I

7 had to call her to let her know that they were going

8 to be asked, you know, for some Discovery. And then

9 I would have told her why they would be asking for

10 Discovery.

11 BY MS. ABRAMS:

12 Q. Do you recall any of the specifics

13 of that conversation with Ms. Coleman?

14 A. Not really. No.

15 Q. Okay.

16 I'm finished. I don't know if Mr.

17 Walker has any questions.

18 MR. WALKER: No questions.

19 MS. ABRAMS: Thank you very much for

20 your time.

21 THE WITNESS: Thank you.

22 (Witness excused.)

23 (Whereupon, the deposition concluded

24 at 11:26 a.m.)

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-BELL

I have read the foregoing transcript of my examination given on February 14th, 2008, and it is true, correct, and complete, to the best of my knowledge, recollection, and belief, except for the list of corrections, if any, attached on a separate sheet herewith.

Date

Arlene Bell, Esquire

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COMMONWEALTH OF PENNSYLVANIA :

COUNTY OF PHILADELPHIA :

I, Janice Philomena Vanore, a Professional Shorthand Reporter and a Notary Public in and for the Commonwealth of Pennsylvania, do hereby certify that the witness was by me first duly sworn to testify the truth, the whole truth, and nothing but the truth; that the foregoing examination was taken at the time and place stated hereinbefore; and that the said examination was recorded stenographically by me and then reduced to typewriting under my direction, and constitutes a true record of the testimony given by said witness.

I further certify that I am not a relative, employee or attorney of any of the parties, or a relative or employee of either counsel, and that I am in no way interested directly or indirectly in this action.

Janice Philomena Vanore  
Professional Shorthand Reporter  
Notary Public

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